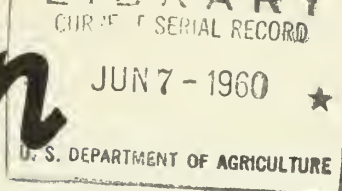


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# Foreign CROPS AND MARKETS



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CONTENTS

NUMBER 22

## COTTON

PAGE

U.S. Cotton Exports at High Level Through March.....	22
Transshipments of Mexican Cotton Drop Sharply in January.....	20
Uganda Announces Minimum Cotton Prices for 1960-61 .....	22
Canadian Cotton Consumption Lower in April .....	22
India Allows Additional Cotton Imports .....	24

## DAIRY AND POULTRY PRODUCTS

Danish Dairy Cattle Sold to Many European Countries .....	17
Venezuela Tightens Dry Whole Milk Import Requirements .....	18

## FATS, OILSEEDS AND OILS

Exports of Indian Peanuts and Oil, Castor Products and Linseed Oil Down .....	8
Japan's Fats and Oils Use Continues Upward .....	10
Edible Oil Shortage in Spain.....	19

## FOREIGN TRADE DEVELOPMENTS

French West Indies Agricultural Imports From U.S. Increase .....	4
U.S. Agricultural Exports Eligible for Export Guarantees .....	5
Japanese Import Plan for First Half of Fiscal Year 1960 Summarized .....	15
Prospects Good for Mexican Crops .....	18

## FRUITS, VEGETABLES AND NUTS

Brazil Nut Prices Continue to Increase .....	17
Chilean Bean Imports May Increase to Normal in 1960.....	6
California Dates Well Liked in New Zealand .....	18

## GRAINS, FEEDS, SEEDS AND HOPS

West Pakistan Modifies Its Wheat Policy.....	6
Austria Adopts State Trading in Grains.....	7
Canadian Wheat and Flour Exports Slightly Below Last Year .....	20
Egypt's Authorized Rice Acreage Below Last Year .....	22

(Continued on Following Page)

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOREIGN AGRICULTURAL SERVICE  
WASHINGTON 25, D. C.

## CONTENTS--(Continued)

Page

## LIVESTOCK AND MEAT PRODUCTS

Australian Meat Shipment Coming to U.S.....	9
Cuba Nationalizes Meat Processing Plants.....	12
Canadian Cattle Price Supports Raised; Lamb Supports Lowered.....	12
Argentine Wool Exports Down Sharply.....	13
South African Wool Exports Increase.....	14
Britain Imports More U.S. Variety Meats.....	15

## SUGAR, FIBERS AND TROPICAL PRODUCTS

British Guiana Coffee Exports Increase.....	10
Brazil Industrializes Lower Grade Coffee.....	10

## TOBACCO

Brazil's Tobacco Exports Fall Off in 1959.....	3
Egypt's Usings of U.S. Leaf Show Decline Last Year.....	3
Angola Producing More Tobacco Products.....	4

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F A S TO OBSERVE ANNIVERSARY

June 5 marks the 30th Anniversary of the Foreign Agricultural Service. Ever since the U.S. Department of Agriculture was established, it has had some activity in the field of foreign trade. But it was on June 5, 1930 that legislation was approved making possible the service FAS renders today in worldwide agricultural reporting and working with private enterprise in aggressive foreign marketing development. Foreign Crops and Markets is proud to share in this service and in the Anniversary Observance.)

## NEW PUBLICATIONS RELATING TO U. S. FOREIGN AGRICULTURAL TRADE

Single copies free to persons in the U. S. from the Foreign Agricultural Service, U. S. Department of Agriculture, Washington 25, D. C., Room 5922. Phone: DUDley 8-2445.

World Flaxseed Production Down Moderately, Availabilities Sharply. Foreign Agriculture Circular FFO 12-60. 22 pp.

World Cattle Numbers Continue Upward. Foreign Agriculture Circular FLM 3-60. 5 pp.

U. S. Foreign Trade in Poultry and Eggs, 1959 and Prospects for 1960. Foreign Agriculture Circular FPE 3-60. 12 pp.

Western European Fats, Oils, and Oilseed Imports Up Sharply. Foreign Agriculture Circular FFO 10-60. 4 pp.

Foreign Agricultural Trade Digest, April 1960. 7 pp.

# BRAZIL'S TOBACCO EXPORTS FALL OFF IN 1959

Brazil's exports of leaf tobacco dropped to 61.8 million pounds in 1959 from 66.2 million in 1958. Declines in shipments to Spain and West Germany more than offset gains in exports to Denmark, France, Argentina, and Switzerland.

The Netherlands was the most important market for Brazilian leaf last year, taking 15 million pounds--nearly 25 percent of the total. Spain, with 12 million pounds, ranked second. The average export price was equivalent to 24.7 U.S. cents. Shipments to the Netherlands averaged 24.8 cents, to Spain, 18.9 cents, and to West Germany, 24.0 cents.

## TOBACCO LEAF: Brazil, exports by country of destination, 1957-59

Destination	1957	1958	1959
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Netherlands.....	10,082	15,668	15,005
Spain.....	14,811	18,007	12,044
Germany, West.....	9,959	11,517	6,911
Denmark.....	4,135	4,683	5,443
France.....	4,894	3,466	4,965
Argentina.....	---	---	3,027
Uruguay.....	2,197	1,541	2,659
Switzerland.....	1,942	1,854	2,452
Algeria.....	4,434	3,241	2,355
Belgium-Luxembourg.....	2,496	1,572	1,636
Tunisia.....	771	968	844
Italy.....	---	1,373	---
Others.....	6,578	2,303	4,498
Total.....	62,299	66,193	61,839

## EGYPT'S USINGS OF U. S. LEAF SHOW DECLINE LAST YEAR

Egypt's usings of tobacco in 1959 (withdrawals from bonded warehouse for manufacture) totaled 25.5 million pounds, compared with 25.7 million in 1958.

Although total usings declined only 1 percent, usings of U. S. tobacco as indicated by withdrawals) dropped about 13 percent--from 7.3 million to 6.3 million. There were sizeable increases in use of tobaccos grown in Communist China, Bulgaria, the Union of South Africa, Syria, and Poland last year. Use of Greek leaf also increased.

It is likely that usings of U. S. leaf will rise considerably in 1960. Stocks were rebuilt in late 1959, and substantial purchases are expected this year.

TOBACCO, LEAF: Egypt, imports 1/ by country of origin, 1957-1959

Country of origin	1957	1958	1959
	1,000 pounds	1,000 pounds	1,000 pounds
United States.....	8,828	7,255	6,334
Communist China.....	2,255	3,205	3,349
Bulgaria.....	1,601	1,993	2,392
Greece.....	2,825	2,286	2,392
Yugoslavia.....	1,082	2,396	2,258
Turkey.....	3,043	1,940	1,570
India.....	1,410	2,132	1,515
Italy.....	1,033	1,303	1,228
Japan.....	515	1,193	1,109
Others.....	2,018	2,003	3,393
Total.....	24,610	25,706	25,540

1/ Withdrawals from bond for manufacture--not actual arrivals.

#### ANGOLA PRODUCING MORE TOBACCO PRODUCTS

Angola manufactured about 978 million cigarettes in 1959--6 percent more than the 925 million in 1958. The output of cigarillos increased 11 percent to about 4 million pieces. Smoking tobacco output declined. The 2,282,000 pounds of tobacco products manufactured in Angola in 1959 exceeded the 1958 output of 2,208,000 pounds by 3.5 percent.

#### FRENCH WEST INDIES AGRICULTURAL IMPORTS FROM U.S. INCREASE

U. S. agricultural exports to the French West Indies (Martinique and Guadeloupe) in 1959 were double those of 1958 despite a decline in total U. S. exports to the area. Much of the increase was in rice.

Out of \$1.8 million worth of U. S. exports to the islands in 1959, agricultural products accounted for about 16 percent. In 1958, they accounted for only about 6 percent of \$2.3 million worth. The principal agricultural items imported were baby chicks, poultry feed, fruit juices, corn, rice, and grain products.

U. S. imports from the French West Indies, chiefly inedible molasses, totaled \$400,000 in 1959 and \$566,000 in 1958.

## U. S. AGRICULTURAL EXPORTS ELIGIBLE FOR EXPORT GUARANTEES

The Export-Import Bank of Washington announced that on May 23, 1960, it would commence operations in a new field of export guarantees covering non-commercial or political risks in short-term transactions. This covers most agricultural shipments since these items are normally financed 180 days or less. Thus, U.S. exporters of agricultural commodities can obtain political risk guarantees from U.S. commercial banks and U.S. export credit insurance companies without direct contact with the Export-Import Bank.

U. S. commercial banks having foreign departments which finance export transactions have been authorized to act as agents for Eximbank. Other U.S. commercial banks may request authorization to act for Eximbank or they may refer their customers to a correspondent bank in the United States which has an active foreign department. The U.S. insurance companies which offer export credit insurance also have been designated to act for Eximbank in the insurance of the political risk guarantees.

In its definition of "political risk", Eximbank cited 5 non-commercial hazards abroad:

(1) Inconvertibility or non-transferability of foreign currencies. Where the foreign buyer deposits his payment to the exporter in local currency, and is unable to convert that deposit into U.S. dollars, Eximbank will pay to the U.S. exporter 90 per cent of the amount deposited; (2) Imposition of law or regulation beyond the control of exporter and buyer which prevent delivery of goods; (3) Cancellation of import license; (4) War, hostilities, rebellion, and civil commotion; (5) Expropriation of exported items by foreign authorities.

In instances, (2) through (5), Eximbank will pay to the exporter 90 per cent of losses. The 5 political risks described are non-commercial in nature, as distinguished from the normal commercial or credit risks.

In contracting for an Eximbank short term political risk guarantee through his commercial bank, the exporter will agree to declare and pay fees on all his exports for a period of one year. To initiate the agreement which he has signed, the exporter will make a deposit calculated on his estimated total dollar volume of his short-term export business for the year to be covered at 35 cents per thousand. Having signed a contract for a year's coverage, each eligible shipment made by the exporter will be protected against political risks provided he makes monthly declarations and pays fees for coverage of individual shipments. These fees ranging from 1/4 of 1 percent to 1/2 of 1 percent, are as follows:

<u>Term of Credit</u>	<u>Fee per \$100 of Gross Invoice Value</u>
Not over 30 days	25 cents
31 - 60 days	30 cents
61 - 90 days	35 cents
91 -120 days	40 cents
121 -150 days	45 cents
151 -180 days	50 cents

Sales to all the countries of the Free World are eligible. However, Eximbank in certain instances, because of circumstances affecting non-commercial risks covered by these guarantees, may from time to time impose conditions as to the terms upon which credit may be extended and covered by the agreement.

#### CHILEAN BEAN EXPORTS MAY INCREASE TO NORMAL IN 1960

The 1959-60 bean harvest now nearing completion in Chile is unofficially, estimated, at 1.9 million bags, 28 percent above the low 1959 harvest and 5 percent below the 1954-58 average. Acreage is estimated officially at 234,000 acres, 7 percent more than last year, but near the recent normal.

Of the 1960 harvest, about 700,000 bags are of classes normally exported from Chile, as follows: Arroz, 300,000 bags; Cristales, 200,000; Red Kidney, 180,000 and others, 20,000.

Exports are prohibited in 1960 of bean classes used domestically.

Chilean exports usually go to about 20 countries. The below-normal exports in 1959 estimated at 360,000 bags, were distributed approximately as follows: the United Kingdom, 100,000 bags; West Germany, 50,000 bags; United States 30,000; Mexico, 30,000; France, 20,000; and the Caribbean, 40,000.

#### WEST PAKISTAN MODIFIES ITS WHEAT POLICY

West Pakistan's wheat policy for 1960-61 which abolished controls on wheat trading, stocks and prices effective April 1 and derationing effective May 1 (see Foreign Crops and Markets for January 25, 1960), has been modified to give the government a firm control over wheat prices and stocks. Principal features of the new orders follow:

(1) An announcement of April 8 fixing the maximum ex-mill price for atta (flour) in Karachi at Rs 15.75 (\$3.31) per maund (82.28 pounds) and at Rs 16 to 16.50 (\$3.36 to \$3.47) per maund in West Pakistan.

(2) Prohibiting roller mills from buying wheat from any other sources than the government or places specified by it, or in quantities other than those fixed by the government, and from selling atta ex mills at higher than government-fixed prices.

(3) Fixing (a) the extraction ratio for West Pakistan mills at a maximum of 8 percent and not less than 4 percent bran, or such other level as may be specified by the government; (b) requiring mills to regulate distribution of supplies in accordance with orders issued by the government; (c) requiring mills to make available their records relating to purchases, stocks and milling of wheat and disposal of wheat products; and (d) requiring mills to produce atta in conformity with the Punjab Pure Food Act, 1950.

(4) Requiring any person, other than the owner or manager of a roller flour mill, who purchases wheat from the government for sale in West Pakistan (a) to resell such wheat only at places specified in the application for a purchase from government stocks; (b) not to resell such wheat to any person in excess of 10 bags of 2 maunds and 28 seers (211 pounds) net each; (c) to dispose of strap purchases within 3 weeks of date of receipt from government stocks; and (d) in event of inability to dispose of the wheat within 3 weeks to turn it over to persons authorized by the government at the price at which it was purchased; and

(5) Regulations dated April 18 authorizing the government to take measures (a) to prevent wheat smuggling along the West Pakistan border; (b) to curb speculation in wheat by tightening short term credit to grain dealers; and (c) to maintain a 6-month reserve stock and sell wheat to consumers or buy wheat from growers whenever necessary to assure satisfactory prices to consumers and to producers. The Government's procurement price for wheat during the 1960-61 market year is Rs. 13.50 per maund (\$2.07 per bushel) compared with Rs. 12.50 per maund (\$1.92 per bushel) in 1959-60.

Regulations (2), (3) and (4) were made effective May 1.

#### AUSTRIA ADOPTS STATE TRADING IN GRAINS

The Austrian Parliament made grain importation a government monopoly. The government agency which will do the importing presumably will be the Grain Equalization Board. Heretofore, grain importing contracts, with kinds and quantities controlled by the Board were awarded by the latter to private Austrian importers on a competitive bid basis.

The announced reason for the change is to permit the importation of sufficient grain from the neighboring Eastern European countries to ensure maintenance of Austria's traditional close trade relations with those countries at a "fair" level. In exchange for its industrial exports to those countries, Austria must be prepared to accept payment almost exclusively in agricultural products.

The Austrian grain importing program will be subject to Article XVII of the General Agreement on Tariffs and Trade which prohibits state trading enterprises from unfairly discriminating between exporting countries. In the case of imports, the exporting country must be chosen solely upon the basis of commercial considerations, including price, quality, availability, and transportation.

Austrian government officials claim that the policy of state trading in grains will end that country's practice of discriminating against the United States and Canada, vis-a-vis the OEEC countries, in importing corn, barley and rye. They also maintain that it will not result in unfair curtailment of grain imports from the United States, in favor of East European countries.

#### EXPORTS OF INDIAN PEANUTS AND OIL, CASTOR PRODUCTS AND LINSEED OIL DOWN

India's peanut exports for direct edible consumption rose sharply in 1959 to 30,709 short tons compared with 3,400 tons in 1958. The United Kingdom, Canada, and the Netherlands were the major markets.

The increase in exports reflects the liberalization of export restrictions. An export quota of 20,000 H.P.S. kernels was released March 26, 1960, and is good through September, 1960. The last export quota was released November 28, 1959 and would have expired June 30, 1960. In spite of rising prices in India, export prospects appear fairly good since supplies from other areas are down and the market for edible peanuts is specialized.

INDIA: Exports of selected commodities, average, 1935-39, annual, 1954 to 1959

Item	: Average : 1935-39	: 1954	: 1955	: 1956	: 1957	: 1958	: 1959
	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000	: 1,000
	: short	: short	: short	: short	: short	: short	: short
	: <u>tons</u>	: <u>tons</u>	: <u>tons</u>	: <u>tons</u>	: <u>tons</u>	: <u>tons</u>	: <u>tons</u>
Peanuts 1/.....	1,151.0	8.7	34.8	13.7	2.1	3.4	30.7
Peanut oil 2/ .....	9.1	30.0	181.8	29.7	---	1.0	46.3
Castor oil.....	6.7	25.3	47.5	47.3	47.5	22.6	39.4
Linseed oil.....	.6	3.0	73.4	49.8	18.7	24.9	21.9
Oilcake and meal....	389.8	20.0	191.2	62.7	87.1	263.1	581.4

1/ Includes 106,221 tons, transit through French India, 1935-39 average.

2/ Includes 551 tons, 1934-38 average, transit through Portuguese Indian Ports.

Peanut oil exports rose sharply in 1959 to 46,301 short tons compared with 994 tons in 1958. Burma was the biggest market (34 percent) followed by the Netherlands (23 percent) Rumania (15 percent) and the United Kingdom. Northern Europe was a particularly active buyer in the last 2 months of 1959.

Exports of peanut oil were high in 1959, despite higher-than-competitors prices, because they have been linked to peanut oilcake (expeller type) exports. To earn more foreign exchange, the government since early 1959 has required the trade to export 1 ton of peanut oil for every  $3\frac{1}{2}$  tons of peanut oilcake (expeller type) or 1 ton of salad oil for every 4 tons of peanut oilcake (expeller type). Since the trade apparently found it desirable to export peanut cake in 1959, they were impelled to find an export market for a certain quantity of oil.

Export prospects for peanut oil in 1960 are not as good as last year since internal prices continue well above world prices while peanut oilcake (expeller variety) prices in India are not as far below those in Europe as they were in 1959.

Oilcake and meal exports set records in 1959, amounting to 581,388 short tons, compared with 263,082 short tons in 1958. The United Kingdom was the major market for oilcake and meal, accounting for 70 percent of the volume exported, followed by Poland (9 percent). The remainder went to West Germany, Denmark, Belgium and France. About 25 percent of the oilcake exports are peanut oilcakes (expeller type) which are tied to peanut oil exports. Solvent-extracted peanut meal may be exported freely through September 1960. Export prospects for other than peanut oilcakes (expeller type) appear good, but total exports in 1960 may not reach the 1959 level.

Castor oil exports totaled 39,375 short tons in 1959, 74 percent above 1958 exports but below the 1957 level. The United States was the major market, importing 15,376 short tons or 39 percent of the total. Other important markets were the United Kingdom (31 percent) and the U.S.S.R. (17 percent). Export prospects continue bright for 1960 because of the reported inability of Brazil to meet U. S. demand until about September, 1960.

Linseed oil exports increased sharply in the last few months of 1959, to total 21,936 short tons, but this was 12 percent below the 1958 level. Prices of linseed oil in India were too high most of the year to compete in Europe. The United Kingdom and Australia are the major Indian markets, mainly due to Commonwealth preference. Prospects for 1960 will depend greatly on domestic demand for other oils. Since edible oil prices are rising, linseed oil may be consumed edibly to a greater extent in 1960 than in 1959.

#### AUSTRALIAN MEAT SHIPMENT COMING TO U.S.

The Pioneer Reef sailed from Australia on April 30 carrying nearly 500,000 pounds of frozen beef for purchasers in New York (257,600 pounds), Boston (67,200), Houston (44,800) and Chicago (78,400).

## BRITISH GUIANA COFFEE EXPORTS INCREASE

The production of Liberian coffee in British Guiana continues to result in a fairly brisk export trade. Total export sales in 1959 amounted to 3,620 bags worth \$312,000. These figures topped both 1958 and 1957 totals, and have encouraged the Agriculture Department to intensify its work in teaching farmers how to plant and process their coffee for maximum harvests and sales.

## BRAZIL INDUSTRIALIZES LOWER GRADE COFFEE

The IBC (Brazilian Coffee Institute) recently announced regulations for an incentive program for industrialization of "expurgo" (lower grade) coffees. Such coffees will be supplied annually in multiples of 100,000 bags to processing plants for extraction of oil, caffeine and cake. The price to be paid by the plants will be 70 cruzeiros per 60-kilo bag (about 0.3 cents per pound).

The residue from the process will be treated as follows: (1) 30 percent of its volume will be retained by the plant; one part of which will be used for fuel in the same plant and the other part to be used as a mixture element for the production of feed and fertilizers; (2) 20 percent will be sold to feeds and fertilizer producing plants not possessing its own extraction facilities; and (3) 50 percent will be mixed in the processing plants with the ashes resulting in item (1) above and a phosphate fertilizer ready for mixing which will be supplied by IBC.

The residues referred to in items (1) and (2) could be withdrawn from the plants only if mixed with phosphate or lime fertilizers or other oleaginous cake. The mixing proportions should be enough to make the product unfit for human consumption. IBC will assume the inspection of the sold products, the industrialization process, stocks and distribution of oil, caffeine and residue. The "expurgo" coffee amounts to approximately 10 percent of the Brazilian crop, and is expected to be slightly more than 4 million bags for the 1959-60 crop year.

## JAPAN'S FATS AND OILS USE CONTINUES UPWARD

More fats and oils for Japanese food and industrial needs is forecast for 1960 in line with the continued upward trend of 1959. Total consumption of edible fats and oils during 1960 is expected to reach 406,000 metric tons, 10 percent over the 368,000 tons in 1958 and 18 percent above the 345,000 tons in 1957. Industrial uses of fats and oils are forecast at 396,000 tons compared with 364,000 in 1958 and only 276,000 tons in 1957.

FATS AND OILS: Japan, supply and distribution  
annual 1958-1960

Item	1958	1959	1960 Forecast
	1,000	1,000	1,000
	metric	metric	metric
	tons	tons	tons
Supply:			
Beginning stocks, January 1:			
Edible.....	36.2:	39.6:	47.2
Industrial.....	7.9:	3.3:	6.6
Total stocks.....	44.1:	42.9:	53.8
Production:			
Edible:			
Vegetable oil 1/.....	344.9:	403.5:	421.5
Marine oil 2/.....	142.7:	150.8:	151.1
Butter (fat content).....	10.6:	9.8:	9.0
Animal fats and oils 3/.....	42.4:	47.3:	52.1
Total edible.....	540.6:	611.4:	633.7
Industrial:			
Vegetable oils 4/.....	29.8:	42.5:	41.1
Sperm oil.....	39.9:	37.9:	35.0
Total industrial.....	69.7:	80.4:	76.1
Total production.....	610.3:	691.8:	709.8
Imports:			
Edible:			
Vegetable oil.....	13.1:	19.4:	28.9
Marine oil.....	1.5:	1.5:	1.5
Butter, margarine and shortening..	.2:	.2:	.2
Animal fats and oils 5/.....	122.0:	155.0:	172.0
Total edible.....	136.8:	176.1:	202.6
Industrial:			
Vegetable oil.....	4.5:	5.3:	5.4
Total imports.....	141.3:	181.4:	208.0
Total supply.....	795.7:	916.1:	971.6
Distribution:			
Exports:			
Edible:			
Vegetable oil.....	19.2:	25.2:	17.5
Marine oil.....	91.8:	84.5:	93.7
Other.....	.7:	1.2:	1.3
Total edible.....	111.7:	110.9:	112.5
Industrial oil 6/.....	16.9:	19.7:	1.7
Total exports.....	128.6:	130.6:	114.2
Consumption:			
Edible.....	345.0:	367.7:	405.8
Industrial 7/.....	275.8:	363.9:	395.6
Total consumption.....	620.8:	731.6:	801.4
Ending stocks, December 31:			
Edible.....	39.6:	47.2:	50.0
Industrial.....	6.7:	6.7:	6.0
Total stocks.....	46.3:	53.9:	56.0
Total distribution.....	795.7:	916.1:	971.6

1/ Crushed from imported and domestic oilseeds primarily soybeans, rapeseed and mustard, coconut, palm kernel, rice bran, cottonseed, kapok, safflower, sesame and other oilseeds. 2/ Cod and shark liver, fish, and whale oils. 3/ Beef tallow and lard. 4/ Linseed, castor, perilla, and tung oils. 5/ Including industrial tallow and grease. 6/ Primarily sperm oil. 7/ Including unreported uses.

Compiled from official and other sources.

The per capita consumption of edible fats and oils during 1960 will thus reach nearly 8.9 pounds compared with 8.1 pounds and 7.7 pounds in 1959 and 1958, respectively. Furthermore, while this rate of edible fats and oils use is small compared with around 45 pounds in the United States, the consumption of whole soybeans and soybean meal in food products in Japan is large and expanding, and from these soybean foods an additional 2.5 pounds of edible oil equivalent is added to the Japanese diet. Consumption of fats and oils by industry will probably reach 10.0 pounds this year compared with 9.2 pounds in 1958 and 7.2 pounds in 1957.

Production of shortening has doubled in the past 5 years and is expected to reach 47,000 tons in 1960, making a total margarine and shortening production of 88,000 tons for 1960 or 8 percent over the 81,332 tons produced in 1959. Industrial use of fats and oils in soap and fatty acids has expanded rapidly in recent years.

Higher production and imports of vegetable oils are expected to account for most of the increase in supplies. Continued increases in the production of soybean oil, palm kernel oil, safflower oil, sesame oil and rice-bran oil from imported and domestic oilseeds and oil-bearing materials is expected in 1960.

Imports of animal fats and oils are expected to continue to rise in 1960, since importations of beef tallow and hog grease have been liberalized under the Automatic Approval System.

#### CUBA NATIONALIZES MEAT PROCESSING PLANTS

During early May the Cuban National Institute of Agrarian Reform (Nacional Instituto Reforma Agraria) nationalized 3 Federally inspected slaughterhouses. It closed several small noninspected plants in Havana Province. Four of the 5 Federally inspected slaughterhouses in Cuba are now under government control.

#### CANADIAN CATTLE PRICE SUPPORTS RAISED; LAMB SUPPORTS LOWERED

Canada has set higher support prices for cattle but lower supports for lambs for the year ending March 31, 1961.

Support prices for good slaughter steers at Toronto, are \$18.20 per 100 pounds, 40 cents per 100 pounds above a year earlier. Good grade slaughter lambs are supported at \$19.35 per 100 pounds or 20 cents lower than a year ago. Support for these species is mandatory; the levels are established at 80 percent of average market prices for the last 10 years.

No price support action has been necessary on cattle. Market prices for good grade steers are now about \$4 per 100 above supports.

During late 1959 the Agricultural Stabilization Board spent around \$360,000 to support lamb prices. Lamb carcasses were purchased and immediately sold back to Canadian dealers so the Board did not accumulate stocks of lamb. Since last fall lamb prices have increased materially and are now \$5.00 per 100 pounds above the support level.

#### ARGENTINE WOOL EXPORTS DOWN SHARPLY

Wool exports from Argentina during the first half of the 1959-60 season (October-September) were substantially below a year earlier. Total shipments of raw wool through March were 116.5 million pounds, down 40 percent from the 194.9 million pounds exported last year.

The large shipments reported during the first half of last season were the result of a large scale reduction in carryover stocks in response to higher prices. Consequently, stocks on hand at the beginning of this marketing season were significantly below the level of October 1, 1958. Total supplies of wool available for consumption and export this season were 17 percent below last year. Exportable supplies on April 1, 1960 were 260 million pounds, slightly below a year earlier.

Exports to the Soviet Bloc countries, to the United Kingdom, and to France showed the greatest decline, down 57 to 76 percent. Shipments to the United States were 44 percent lower, with most of this reduction in scoured wool. Exports to Italy and to the Netherlands increased slightly.

WOOL: Argentine exports of raw wool by country of destination  
October - March 1958-59 and 1959-60

Destination	October - March		Percent change
	1958-59	1959-60	
	1,000 lbs.	1,000 lbs.	Percent
United States.....	61,171	34,116	-44.2
Italy.....	12,262	15,128	+23.4
United Kingdom.....	32,147	14,167	-55.9
Japan.....	12,011	10,933	-9.0
Netherlands.....	9,149	9,740	+6.5
France.....	22,174	9,482	-57.2
Germany, West.....	7,696	6,151	-20.1
U. S. S. R. ....	19,570	4,687	-76.1
Belgium.....	4,411	4,515	+2.4
Poland.....	7,218	2,325	-67.8
Other countries.....	7,061	5,240	-25.8
Total.....	194,870	116,484	-40.3

# SOUTH AFRICAN WOOL EXPORTS INCREASE

Exports of raw wool from South Africa during the first 9 months of the 1959-60 season (July-June) were 20 percent higher than for the same period last year. Total exports of raw wool (greasy and scoured) through March were 204.2 million pounds compared to 170.6 million pounds a year earlier. Exports of wool tops at 8.3 million pounds were 73 percent higher.

Higher prices throughout this marketing season have stimulated this heavy movement. Compared to last year, prices on the average were 28 percent higher. With heavy sales during July-March and production lower, exports during the remaining quarter will be considerably lower.

The United Kingdom, France, and West Germany have been the largest buyers of South African wool this season, although the United Kingdom reduced its purchases slightly. Purchases by France and West Germany were up 58 and 45 percent, respectively, from last year's level. Exports to Communist China showed the largest percentage increase for both raw wool and tops. While Red China purchased only a small quantity of raw wool, it was the largest buyer of tops, taking over 45 percent. Purchases of raw wool by the U.S.S.R. were down 30 percent.

WOOL: South African exports of raw wool and tops by country of destination, July - March 1958-59 and 1959-60

Country	July - March			
	1958-59		1959-60	
	Raw wool	Tops	Raw wool	Tops
	: 1,000 lb.	: 1,000 lb.	: 1,000 lb.	: 1,000 lb.
United Kingdom.....	47,135	1,420	45,835	1,362
France.....	23,627	---	37,363	---
Germany 1/.....	22,011	105	31,960	296
United States.....	29,094	275	28,204	311
Italy.....	16,044	18	20,833	60
Japan.....	7,223	148	12,026	50
U.S.S.R.....	11,385	---	8,054	---
Belgium.....	5,607	758	7,411	1,321
China, Mainland.....	1,394	1,038	4,736	3,739
Other.....	7,081	1,036	7,744	1,144
Total.....	170,601	4,798	204,166	8,283

1/ No distinction is made between shipments to East and West Germany.

## JAPANESE IMPORT PLAN FOR FIRST HALF OF FISCAL YEAR 1960 SUMMARIZED

The Japanese Government has allocated a record foreign exchange budget of \$3,268 million for the first half of fiscal year 1960 (April-September). This allocation consists of commodity import funds totaling \$2,424 million, a \$200 million reserve, and an invisible trade payment of \$644 million.

The new budget represents an increase of \$296.0 million for the commodity imports and \$109.1 million for invisible imports over the allocations for the previous 6 months.

There are several important features of the new import budget pertaining to agricultural commodities on the Fund Allocation (F.A.) list. The first is that the government has allocated enough funds to purchase a planned 1.4 million bales of raw cotton, a substantial increase from the 1.0 million bales actually purchased in the previous 6-month period. Another feature is that 141 thousand metric tons of rice are planned to be purchased from Southeast Asian countries in order to maintain its exports to them. A third point is that planned import of barley (47,000 metric tons) is far below the level of actual imports in recent years. There has been declining demand for barley as a human food.

Only a small increase in the amount earmarked for the import of certain food items was included compared to the preceding 6-month period, although planned purchases of wheat and soybeans are greater. Imports of wheat are planned at 1.4 million metric tons in contrast to 1.2 million metric tons actually purchased in the previous period, and imports of soybeans at 476,500 metric tons compared to about 400,000 metric tons. A fifth feature of the new budget is that imports of only 9,500 metric tons of hides and skins are planned, a decrease from the actual purchases of 33.3 thousand metric tons in the previous 6 months, in view of the fact that they will be transferred to the Automatic Approval (A.A.) list on July 1. Finally, the discriminatory treatment of beef tallow and hog grease (acid value 2 percent or more) produced in the dollar area, which is on the A.A. list, was discontinued on April 1 as a part of the government's trade policy.

The Japanese government's expressed policy for liberalization of trade is taking shape gradually. Under the new import plan, the government has earmarked \$970 million or 40 percent of the total commodity import funds for A.A. operations. This amount is an increase of \$270 million over the preceding 6 months, when only about 33 percent was set aside. There are now over 1,000 items that come under this system.

BRITAIN IMPORTS MORE  
U.S. VARIETY MEATS

U.S. exports of frozen beef and lamb variety meats to the United Kingdom have been brisk following liberalization of this trade in November 1959. U.K. imports from the United States in the first 3 months of 1960 rose to 5.8 million pounds and accounted for 13 percent of total imports. In the first quarter of 1957 imports from the U.S. totaled 1.2 million pounds but rose to 1.8 million in the same period of 1958.

VARIETY MEATS: United Kingdom imports by countries of  
origin, January-March 1958-60

Item	January - March		
	1958	1959	1960
	<u>1,000 lb.</u>	<u>1,000 lb.</u>	<u>1,000 lb.</u>
Beef:			
Argentina.....	12,452	8,559	6,966
United States.....	1,270	1,848	4,464
Australia.....	2,831	6,171	3,120
Ireland.....	1,649	1,131	1,597
Denmark.....	305	612	701
New Zealand.....	1,082	524	652
Other countries.....	981	1,882	1,558
Total .....	20,570	20,727	19,058
Veal:			
Australia.....	446	580	401
New Zealand.....	399	316	345
Other countries <sup>1/</sup> .....	434	273	343
Total .....	1,279	1,169	1,089
Lamb and mutton:			
New Zealand.....	8,203	6,989	7,800
Australia.....	3,002	3,212	4,054
United States.....	--	--	1,357
Argentina.....	694	860	728
Other countries.....	354	529	1,017
Total .....	12,253	11,590	14,956
Pork:			
Denmark.....	2,388	3,795	4,968
Canada.....	--	--	2,132
Netherlands.....	582	968	1,409
Sweden.....	110	417	452
Other countries.....	2,200	1,889	2,042
Total .....	5,280	7,069	11,003
Total.....	39,382	40,555	46,106

<sup>1/</sup> Includes imports from the U.S.

The United States has not been able to export fresh and frozen pork variety meats to the United Kingdom because of the use of virulent virus hog cholera vaccine in some states, and because of the difficulty in obtaining an acceptable export certificate. However, Canada was able to ship 2.1 million pounds to Britain in January-March 1960.

This year the United States was the United Kingdom's second largest supplier of beef variety meats and the third largest supplier of lamb variety meats.

The United Kingdom is by far the largest importer of variety meats. Imports from all countries in January-March 1960 totaled 46.1 million pounds compared with 40.6 million a year earlier.

BRAZIL NUT PRICES CONTINUE TO INCREASE

Prices for Brazil nuts have been steadily increasing. Some important trade sources are now forecasting the 1960 Brazil nut crop to be materially smaller than the 35,000 short tons published in April by the Foreign Agricultural Services.

BRAZIL NUTS: 1960 prices, f.o.b. Belem

Item	End of Feb.	Mid-March	Mid-May
	Cents per pound	Cents per pound	Cents per pound
Unshelled, natural.....	12 - 16	18	23
Unshelled, dehydrated.....	-	24	30
Shelled.....	58	62	70

DANISH DAIRY CATTLE SOLD TO MANY EUROPEAN COUNTRIES

During the first half of 1960 exports of Danish dairy breeding cattle are expected to reach 10,000 head. Most of these animals will go to markets in both Western Europe and behind the Iron Curtain.

A recent contract with Yugoslavia calls for the export of 4,500 head and another contract with Czechoslovakia involves 2,000 heifers and 400 cows of the Red Danish Milkbreed. Shipments to Yugoslavia have already started and those to Czechoslovakia are expected to begin shortly. Other countries purchasing Danish cattle at this time are Italy, Greece, Lebanon, West Germany, and Romania. In addition to the Red Danish cattle, Danish Black and White and Jersey cattle are involved. Present prices received per head by the farmers for breeding stock for export are equivalent to \$218 for Jersey cows, \$251 for Red danish heifers, \$276 for Black and White heifers, and \$297 for Black and White cows.

Present demand for Danish cattle appears to be exceeding the supply. Poland is expected to appear as a buyer in the near future and the efforts to improve agriculture within the European Economic Cooperation area are expected to increase demand for breeding cattle.

#### VENEZUELA TIGHTENS DRY WHOLE MILK IMPORT REQUIREMENTS

Effective June 10, 1960, Venezuelan importers of dry whole milk will be required to purchase 1 unit of domestically produced dry whole for every 4.5 units imported. Formerly, importers were required to buy 1 unit of locally produced dry whole for every 5 units imported. Dry whole milk imported under these conditions is admitted free of duty.

#### CALIFORNIA DATES WELL LIKED IN NEW ZEALAND

A small shipment of unpitted California dates were recently reported to have been well received by New Zealand consumers. In the past, New Zealand housewives resisted purchasing unpitted dates; however, apparently the extra large Californian dates in appealing packages overcame this prejudice, as a new order trebling the original order was reportedly made. The retail prices for the 12-oz. package of California dates was reported at about 33.3 cents, which is higher than other imported dates.

#### PROSPECTS GOOD FOR MEXICAN CROPS

April was unusually dry in most districts of Mexico. However, rains early in May brought relief to the dry land farming areas. Soil moisture conditions are good in most agricultural districts and water levels are above normal in the irrigation reservoirs throughout the country. The soil has been prepared and planting of corn, beans and other crops has begun in the non-irrigated farming areas.

The 1959-60 sugar harvest is almost completed and is the largest on record for Mexico. The 15-percent increase over 1958-59 production will result in a record carryover of about 800,000 short tons.

The garbanzo crop in Guanajuato, northern Michoacan and eastern Jalisco was much smaller than for the previous year because of frost damage during January and February. This will affect the swine and poultry producers who use garbanzos for feed.

## EDIBLE OIL SHORTAGE IN SPAIN

Bulk olive oil has all but disappeared from the Spanish retail market. This is the result of (1) the retail price ceiling of 22.20 and 21.20 pesetas per liter (18.7 and 17.8 cents per pound) for oils of 1.5 and 3 degrees acidity respectively in bulk, (2) world prices of 30 to 36 pesetas per liter (25.2 to 30.3 cents per pound) and (3) the freedom of crushers to sell oil at market prices. The retail price ceiling does not apply to olive oil in cans or bottles (1 degree acidity or less). This type of oil is available at retail prices ranging from 31 to 36 pesetas per liter (26.1 to 30.3 cents per pound).

In view of the situation the National Supply Commission has been purchasing olive oil to use in blending with soybean oil when this oil becomes available. These purchases, however, have further upset the domestic price situation. The Commission recently brought 4,000 metric tons of 1.5 degree oil from a cooperative at 26.50 pesetas per kilogram (20.0 cents per pound), which was 2 to 3 pesetas (1.5 to 2.3 cents per pound) above the price exporters were paying crushers at that time. Even though this was a small purchase, crushers have refused to sell comparable oil at less than this price. The fact that the purchase was made by the Supply Commission has caused crushers to look upon this as a price-setting transaction. Exporters have stated that in view of this situation crushers are refusing to make deliveries to exporters at previously contracted prices and that exporters are "hard put" to make deliveries on forward sales for export.

It has been unofficially reported that when soybean oil becomes available, it will be blended with olive oil at the ratio of 90 percent soybean oil and 10 percent olive oil and sold in bulk at 21.40 pesetas per liter (18.0 cents per pound), the same as 3-degree acidity olive oil. There is also a general belief among the trade that the sale of pure soybean oil will be permitted again as soon as adequate supplies are available. However, this has no official basis at this date.

The retail market situation is likely to continue tight until soybean oil becomes available for retail distribution. The first large shipment received under U.S. Public Law 480 will not be refined and distributed for retailing before mid-June, according to the latest reports. Inasmuch as export sales are limited to oil with 1.2 degree acidity or less, there are inevitably large quantities of high acidity olive oil which will be eventually distributed on the domestic market. But at present, these oils cannot be bought for the established ceiling price. It is, however, the opinion of trade contacts that the arrival of sizable quantities of soybean oil will force the grades of olive oil not eligible for export into the domestic market.

## TRANSSHIPMENTS OF MEXICAN COTTON DROP SHARPLY IN JANUARY

Mexican cotton transshipments of 28,000 bales (500 pounds gross) through U. S. ports in January were down 63 percent from the 75,000 bales transshipped in December 1959, and 54 percent below the movement of 61,000 bales in January 1959. January 1960 transshipments were the smallest since June 1958, reflecting Mexico's smaller exportable supplies after a heavy movement of cotton earlier this season.

Transshipments of 514,000 bales during the first half (August-January) of this season were 6 percent larger than the 483,000 bales transshipped in the corresponding 1958-59 period.

Principal destinations during August-January 1959-60, with comparable 1958-59 figures in parentheses, were: Japan 103,000 bales (28,000); West Germany 92,000 (117,000); France 72,000 (10,000); United Kingdom 46,000 (69,000); Italy 39,000 (77,000); Netherlands 35,000 (22,000); Switzerland 24,000 (19,000); and Belgium 22,000 (51,000).

U. S. ports through which most of the Mexican transshipments moved in the August-January period, were: Brownsville 468,000; San Diego 26,000; Oakland 6,000; Los Angeles 4,000; Long Beach 3,000; Houston 3,000; Galveston 2,000; San Francisco 1,000; and Detroit 1,000.

## CANADIAN WHEAT AND FLOUR EXPORTS SLIGHTLY BELOW LAST YEAR

Canadian wheat and flour exports during July-March 1959-60 totaled 211 million bushels, approximately 1.3 percent below a year earlier. Exports to Europe accounted for all the decrease as those to other areas were up.

Wheat exports were down about 4 percent. Shipments to the United Kingdom were down 9 million bushels, West Germany, 4 million and the Netherlands, 4 million. In contrast, more wheat was shipped to Japan and Poland. (See table on page ).

Flour exports at 27.5 million bushels (grain equivalent) were slightly above a year earlier. Larger shipments to the United Kingdom, the Philippines, and Ghana, accounted for most of the increase.

Estimated April exports indicate that total wheat and flour exports during July-April 1959-60 were about 227 million bushels, compared with 236 million exported during the first 10 months of the previous season.

During the first 9 months (August-April) of Canada's 1959-60 marketing year, the total exports were about 5 million bushels less than the 211 million exported during the same months a year earlier.

WHEAT AND FLOUR: Canadian exports by country of destination  
July-March 1958-59 and July-March 1959-60

Country of destination	July-March 1958-59			July-March 1959-60		
	Wheat	Flour <sup>1/</sup>	Total	Wheat	Flour <sup>1/</sup>	Total
	1,000	1,000	1,000	1,000	1,000	1,000
	bushels	bushels	bushels	bushels	bushels	bushels
Western Hemisphere:						
United States .....	2,198	1,224	3,422	571	1,111	1,682
British West Indies ..	4	3,678	3,682	1	4,026	4,027
Central America .....	118	1,414	1,532	91	1,434	1,525
Colombia .....	—	286	286	808	3	811
Cuba .....	1	239	240	1	138	139
Peru .....	1,061	23	1,084	2,722	5	2,727
Venezuela .....	2,260	971	3,231	2,993	4	2,997
Others .....	629	1,036	1,665	628	723	1,351
Total .....	6,271	8,871	15,142	7,815	7,444	15,259
Europe:						
Austria .....	2,149	—	2,149	2,300	—	2,300
Belgium-Luxembourg ...	9,026	256	9,282	8,617	86	8,703
France .....	1,088	—	1,088	2,961	—	2,961
Germany, West .....	24,068	—	24,068	20,249	—	20,249
Ireland .....	3,224	—	3,224	1,085	—	1,085
Italy .....	1,208	1	1,209	2,142	—	2,142
Netherlands .....	9,559	7	9,566	5,794	2	5,796
Norway .....	2,771	—	2,771	2,543	—	2,543
Poland .....	848	—	848	4,872	—	4,872
Switzerland .....	4,724	—	4,724	5,667	—	5,667
United Kingdom .....	68,605	9,828	78,433	59,145	10,342	69,487
Others .....	1,224	102	1,326	1,953	94	2,047
Total .....	128,494	10,194	138,688	117,328	10,524	127,852
Asia:						
Ceylon .....	—	1,371	1,371	—	772	772
China, Mainland .....	1,643	—	1,643	—	—	—
India .....	6,665	2	6,667	5,940	—	5,940
Iraq .....	—	—	—	2,033	—	2,033
Japan .....	29,425	571	29,996	33,018	892	33,910
Pakistan .....	2,327	—	2,327	3,139	2/	3,139
Philippines .....	1,092	2,941	4,033	1,120	3,538	4,658
Others .....	1,844	1,337	3,181	1,792	1,963	3,755
Total .....	42,996	6,222	49,218	47,042	7,165	54,207
Africa:						
Algeria .....	—	—	—	1,863	—	1,863
Ghana .....	—	659	659	—	1,225	1,225
Union of South Africa :	4,160	—	4,160	4,321	—	4,321
Others .....	250	794	1,044	265	1,172	1,437
Total .....	4,410	1,453	5,863	6,449	2,397	8,846
Oceania .....	—	14	14	—	15	15
Unspecified <sup>2/</sup> .....	4,452	—	4,452	4,364	—	4,364
World total .....	186,623	26,754	213,377	182,998	27,545	210,543

<sup>1/</sup> Grain equivalent. <sup>2/</sup> Less than 500 bushels. <sup>3/</sup> Includes seed wheat.

#### EGYPT'S AUTHORIZED RICE ACREAGE BELOW LAST YEAR

The Egyptian Government reports there will be enough water in the Nile to permit the planting of 606,000 acres of rice--less than the 623,000 acres in 1959. An additional 70,000 to 100,000 acres to be irrigated by deep wells brings the 1960 planting to around 700,000 acres compared with 757,000 in 1959. This would produce, at average yields, about 32 million cwt. (100 pounds) of rough rice. The 1959 output was officially estimated at 33.85 million cwt. Exports from that crop in the 1959-60 marketing year are forecast at around 6 million cwt. of milled rice.

#### UGANDA ANNOUNCES MINIMUM COTTON PRICES FOR 1960-61

The Government of Uganda recently announced minimum prices to producers for the 1960-61 cotton crop. The announced prices, equivalent to roughly 20.9 U. S. cents per pound, lint basis, for S-47 variety and 21.4 cents per pound for BP 52, are nearly 1 cent a pound below those paid for the current crop (Foreign Crops and Markets, December 21, 1959). However, the 1960-61 prices may be revised upward before harvest, which begins in December, if prices on world markets justify an increase.

#### CANADIAN COTTON CONSUMPTION LOWER IN APRIL

Canadian cotton consumption in April, based on the number of bales opened by mills, was 28,000 bales (500 pounds gross). This was 15 percent less than the 33,000 bales used in March, and 20 percent below the 35,000 bales consumed in April 1959.

Consumption in the first 3 quarters (August-April) of the current season totaled 259,000 bales--down percent from 283,000 bales in the same months of 1958-59.

#### U. S. COTTON EXPORTS AT HIGH LEVEL THROUGH MARCH

U. S. exports of cotton (all types) during the first 8 months (August-March) of 1959-60 totaled 4,952,000 bales of 500 pounds gross weight (4,815,000 running bales)--nearly 2-1/2 times the total of 2,005,000 bales exported in the corresponding 1958-59 period.

Exports in March 1960 were 790,000 bales; 295,000 bales were exported in March 1959, and 865,000 bales in February 1960.

COTTON: United States exports of cotton by country of destination,  
averages 1935-39 and 1950-54, annual 1957 and 1958,  
August-March 1958-59 and 1959-60

(Bales of 500 pounds gross)

Country of destination	Year beginning August 1					
	Average		1957	1958	August-March	
	1935-39:	1950-54:			1958-59:	1959-60
	1,000	1,000	1,000	1,000	1,000	1,000
	bales	bales	bales	bales	bales	bales
Austria.....	0	38	55	15	11	21
Belgium & Luxembourg.....	169	121	182	49	30	156
Denmark.....	33	29	26	8	6	15
Finland.....	35	13	19	13	13	26
France.....	662	431	367	199	178	505
Germany, West.....	511	382	623	103	84	466
Italy.....	442	379	572	154	119	424
Netherlands.....	107	127	113	21	12	165
Norway.....	17	14	13	1	1	13
Poland & Danzig.....	180	1/	248	93	89	64
Portugal.....	36	7	24	12	11	1
Spain.....	108	142	217	297	240	6
Sweden.....	115	53	130	35	30	80
Switzerland.....	11	42	81	12	9	88
United Kingdom.....	1,346	434	709	210	140	429
Yugoslavia.....	17	86	115	151	2	2
Other Europe.....	2/ 96	8	18	3	3	7
Total Europe.....	3,885	2,306	3,512	1,376	978	2,468
Australia.....	9	31	67	40	30	39
Canada.....	301	311	277	89	50	189
Chile.....	9	24	35	3	2	28
Colombia.....	20	30	69	21	15	2
Cuba.....	11	19	46	9	5	25
French North Africa.....	3/	9	11	12	10	6
Hong Kong.....	3/	8	138	125	81	210
India.....	52	253	114	80	39	150
Indonesia.....	3/	19	31	17	11	50
Israel.....	3/	12	18	12	4	14
Japan.....	1,142	871	1,174	544	403	1,246
Korea, Republic of.....	3/	80	207	227	165	209
Philippines.....	2	9	59	97	54	80
Taiwan (Formosa).....	3/	85	110	182	129	122
Union of South Africa.....	3/	6	37	15	10	30
Uruguay.....	1/	2	8	22	1/	33
Other countries.....	4/ 158	59	46	24	19	5/ 51
Total 500-lb. bales.....	5,589	4,134	5,959	2,895	2,005	4,952
Total running bales.....	5,300	3,977	5,717	2,789	1,931	4,815

1/ Less than 500 bales. 2/ Includes Czechoslovakia 65. 3/ If any, included in other countries. 4/ Includes China 117, and French Indochina 22.  
5/ Includes Ethiopia and Thailand 9 each, and Burma 6.

Official Business

(PMGC)

Total U.S. exports this season (August-July) are expected to be around 6,800,000 running bales, compared with 2,800,000 last season, and 5,700,000 in 1957-58. Registrations of cotton for export under the 1959-60 payment-in-kind program totaled 6,576,000 running bales as of May 20.

By May 20, a total of 148,000 bales had been registered under the 1960-61 program for export on or after August 1, 1960.

#### INDIA ALLOWS ADDITIONAL COTTON IMPORTS

In late April the Government of India released a gobal import quota for 200,000 bales (400 pounds gross) of cotton stapling 1-1/16 inches and over. The shipment period for cotton licensed under this quota will extend from July 1 through September 30, 1960.

Quotas totaling 1,185,000 bales (equivalent to about 970,000 bales of 500 pounds gross) have been released thus far in the current season (August-July), but some of it will probably be received in August and September 1960.